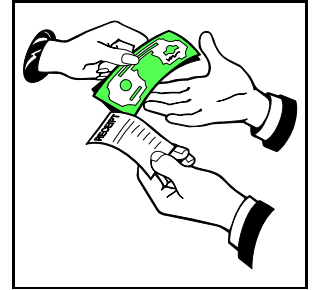


## SECTION K – CLOSE OUT

### **1. OVERVIEW**

The CDBG grant closeout process takes place when:

- **The project is complete,**
- **State monitoring has occurred, and**
- **All of the CDBG funds have been spent by the grantee.**



It consists of the completion of a short final report which includes certification that the funds have been properly spent, a description of what was actually accomplished and documentation of who actually benefited from the project. The grantee also releases the State from any further obligation to this contract.

All grantees are required to complete a “Close Out and Release Form” in order to demonstrate compliance with the CDBG program regulations and goals. Grantees are responsible for the orderly and timely closeout of any sub-contracts they may have in connection with the grant and the financial settlement of sub-contractor claims.

The grantee will receive the Close Out form at the time of monitoring or with the monitoring letter. Remember, the state has the right to recapture any grant funds that they determine to be ineligible. The project manager should be the person that completes the Close Out form since he/she has first hand knowledge of what actually took place during the project. When the Close Out form is accepted by the State CDBG staff; the project is complete.

### **2. DISPOSITION OF EQUIPMENT AND SUPPLIES PURCHASED WITH CDBG FUNDS**

**Equipment.** When original or replacement equipment acquired under a CDBG grant is no longer needed for the original project or program, or for other activities currently or previously supported by a Federal agency, disposition will be as follows:

- (1) Equipment with a current fair market value in excess of \$5,000 may be retained or sold and the state shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
- (2) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained or sold or otherwise disposed of with no further obligation to the awarding agency
- (3) In cases where a grantee or sub-grantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or sub-grantee to take excess disposition actions.

**Supplies.** If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or sub-grantee shall compensate the awarding agency for its share. Title to supplies acquired under this grant or sub-grant will vest, upon acquisition, in the grantee or sub-grantee respectively.

### 3. **GRANTEE CLOSE OUT RESPONSIBILITIES**

The Grantee shall:

- a. Refund to the state any un-obligated CDBG funds.
- b. Submit the close out form within 30 days of receipt along with any outstanding reports/documentation requested in the state monitoring letter.
- c. Retain all financial and project records for a minimum of five years after the grant is closed.

### 4. **INSTRUCTIONS FOR COMPLETING CLOSE OUT FORM**

#### **GRANTEE'S RELEASE FORM:**

- Enter contract number and project name. (Waterline? senior center? etc)
- Enter grantee name (name of the city, county, town or AOG sponsoring the project)
- Sub-Grantee: Enter non-profit agency name, housing authority or Special Service District if applicable.
- Enter the Director's name of non-profit agency or housing authority if applicable
- Complete 2<sup>nd</sup> section by entering contract number and amount actually paid to grantee by the State (this may be less than the contract amount if some funds were unspent).

#### **LEVERAGED FUNDS:**

- Complete this table using the total actual project costs incurred.

#### **NATIONAL OBJECTIVE**

- Using the CDBG Final Application that was submitted in May, check the appropriate boxes that best describe the project outcomes. This information is required by HUD.

#### **FINAL PROJECT STATUS REPORT**

- Enter a brief description of the project and how it benefited the community.

#### **PROJECT BENEFICIARIES**

- For most projects other than housing, beneficiaries are counted by "persons". A separate Close Out Form for housing rehab or down payment assistance will be provided for those types of projects.
- **Race:** Enter beneficiaries by race. For "community wide" projects, the Census can be used to tabulate this information. **IMPORTANT NOTE!!!!** The racial totals must add up to the total number of beneficiaries.
- **Income:** Enter the total # of beneficiaries first, then complete items B, C, D. (These numbers may be the same if project is targeted to serve only LMI persons)
- Calculate the percentage of LMI persons served by the project. This must be at least 51% to meet CDBG program requirements.
- **Presumed Benefit Activities:** These are projects that are targeting a group of people (seniors for one) that are presumed to be mostly (51%) Low income. Using the guidance on the form and data from the CENSUS website, calculate the number of persons served by this type of project.

The State CDBG Staff will help grantees with any questions they may have about this process!!!